To: *Whole Earth* Board Members
From: David Bolling
May 10, 2002

May, 2002 *Whole Earth* Board Report

Dear Board member:

This is the first of what will be a monthly summary of *Whole Earth* highlights. It will usually be briefer and come by email, but this report contains as well copies of the 2002 budget, the 2001 financials, a draft of the new Sustainability Plan, and a content summary for the next two upcoming issues.

First, a summary of the news:

1. Current financial status

As of May 10 we have $22,785.03 cash in the bank and accounts payable of $14,933.74.

We will receive a $9000 payment for newsstand sales within about a week and the spring appeal, which was mailed less than two weeks ago, has so far produced about $4500, which is accounted for in the cash-in-hand total above.

The winter appeal has generated something over $43,000 and there is evidence it is still producing revenue. We don't expect the spring appeal to match that amount but we do think it will do fairly well and that revenue will continue arriving for several weeks. Unlike previous appeals, this one is not going through the New Jersey fulfillment house but is coming straight to us.

I am enclosing a copy of an extraordinary letter from a $1000 donor who responded to the appeal this week. I think you'll be moved by it.

Next week we will receive $3000 from the Fred Gellert Family Foundation.

While current revenues are keeping the staff paid and the doors open, we do not presently have the money to pay for the next printing. We will need to find an absolute minimum of about $30,000 in the next two weeks to print the summer issue.

Our immediate fund raising target is $50,000. More on this later.

Please review the enclosed budget and 2001 P&L. I have revised the budget model somewhat, collapsing salaries into one category instead of separating them into departments, and simplifying other line items as well. There may be other changes you feel should be made. Please look these documents over thoroughly and share with me any suggestions for improvement. The budget model was something of a nightmare and I want to make it functional, accurate and easy to decipher.

I am now in the process of preparing an idealized budget, based on the hypothetical expenses and revenues of the Sustainability Plan (see below).

2. Development

By now you have all met Stephanie Guyer-Stevens, whom I hired as development director on a provisional, contract basis in March. Stephanie has an outstanding resume, which includes founding and leading non-profit organizations, editing books and magazines, and lots of large donor fundraising. She also has numerous valuable connections in the philanthropic community and is fearless about asking for money.

Stephanie is going to make a major difference not only in our ability to fund raise each issue, but in our ability to launch a major, sustained development drive – what we are calling a Sustainability Plan – that takes us beyond the need for the kind of last-second fundraising we face right now.

The plan itself is part of this package and is undergoing further revisions as I tweak it to more closely reflect the cost/benefit data found in a good business plan. A revised version will be available next week and I will circulate it via email. Your reactions and suggestions are welcomed and encouraged.

Stephanie and I are arranging meetings with a variety of potential donors, many of them suggested by one of you. Your expressions of support and

advice have been of great importance and I'm convinced we will resolve this cash crunch in time for the Summer issue to go to press at the end of this month. But the fact remains that we need to raise at least $30,000 in the next two weeks so we can't let up until the money is in hand. Our target is $50,000. Keep holding us in a place of plenty.

Our overall fundraising strategy is three-tiered: First to mount a major effort to raise $150,000 so that we can cover the for seeable operating deficit for a full year; Second, to fund the various elements of the Sustainability Plan, building circulation, newsstand sales and advertising; and third to develop a permanent endowment large enough to protect Whole Earth from cyclical revenue shortfalls.

On the foundation front, we have a grant proposal before the Foundation for Deep Ecology and despite FDE's plans to phase out programmatic grants, there is good reason to believe we will receive strong consideration for another, albeit smaller, grant this year. Disbursements are in September.

We are meeting on May 23 with our grant writer Matt Campbell to review and renew foundation strategies.

3. Content

A story menu for the next two issues is enclosed. We are pushing the planning envelope incrementally forward and will, within the next issue or so, have an annual menu with at least the highlights of major content planned four issues out.

If, as you review these and future story menus, you have content suggestions, recommendations for writers or other resource people, please let us know. We have long been remiss in utilizing board resources and all of you have excellent content ideas, some of which you've recently shared.

4. Advertising

The bad news about advertising is that we haven't had much and we haven't had anyone to sell it. The good news is that I found someone perfectly matched to sell *Whole Earth*, who has represented other non-profit publications, and who was willing to work strictly on a commission basis.

He started out with very little lead time for the Summer issue and sold all three covers, and possibly a little more. Once he's up and running I'm convinced he's going to do very well by us.

5. Printing

We will begin printing on 100% recycled, chlorine-free New Leaf paper as of the Fall issue. We may also change printers, that decision pending the completion of a painstaking analysis of printing bids I've been receiving.

If revenues permit I will strongly recommend that we make *Whole Earth* a full-color magazine with the Fall issue. This won't compel us to use color on every page but will permit us to use color where and when we want, for both editorial and advertising purposes.

6. Staff

We are managing to put the magazine together and on time without an editor to replace Peter, but it is a challenge and comes at a cost. The burden on staff is significant and the absence of that additional staff member limits our ability to plan and prepare as far ahead as we should. Clearly we need a fulltime editor and that position will be factored into the idealized budget.

In the ideal scenario, we would also have one more staff writer.

I am also laying out the elements for a position that includes circulation director. As we move to take better control of and increase our newsstand sales, and as we make a concerted effort to improve the sloppy service we get from our fulfillment house, we need an in-house person to oversee that process. That too will be included in the idealized budget.

7. Staff Events

We had what I'm told is the first-ever *WE* publishing party April10 and some of you were there. Thanks to Sunita we had some wonderful Chinook food and wine. There was good conversation, presentations from some of the

authors and subjects of spring issue stories and good networking as well. We're going to do it again.

UPCOMING RIVER TRIP: I am planning to host the first *Whole Earth* river trip on June 15 on the South Fork American River. If you've never run a whitewater river before this is a good place to start. It's a Class III run, exciting but not death defying. I'm a trained river guide with decades of experience and I'll have other trained guides on hand as well. Let me know as soon as possible if you want to go. It will be easiest for me just to rent some rafts on the river so we'll take up a small collection – maybe $25 per person.

I know I'm leaving some things out of this report but it's a lot to start with. If you have questions about things not covered here please call or email.

Thanks for your ongoing commitment to *Whole Earth*.

Best,

David